

3.4 Poverty and Affluence in Canada



Poverty in Canada

● It would be nice if the poor were to get even half of the money that is spent in studying them.

● ~Bill Vaughan

Poverty Quiz

1. What are the chances that you could experience poverty in your lifetime?

- a) 1 in 8
- b) 1 in 4
- c) 1 in 3
- d) 1 in 2

Answer: C



Poverty Quiz

- 2.) According to Statistics Canada Low-Income Cut Offs, how many Canadians were considered poor in 2006?
- a) 956 000
- b) 1 567 000
- c) 4 941 000
- d) 10 676 000
- Answer: C



Poverty Quiz

3. What percentage of unattached women lives in poverty?

- a) 44%
- b) 25%
- c) 36%
- d) 57%

Answer: A



Poverty Quiz

358, the world's richest, people have the combined wealth of how many of the world's poorest people?

- a) 400 000
- b) 1.5 million
- c) 500 million
- d) 2.3 Billion

Answer: D



Poverty Quiz

- 5) The total population in developing countries as of 2000 is 5.2 billion. Of this, how many people live on less than \$1 a day?
- a) 300 million
- b) 1.2 Billion
- c) 2.8 billion
- ANSWER: b



Poverty Quiz

6. How many Canadians are living on the streets?

- a) 30 000
- b) 1 million
- c) 5 million
- d) 250 000

ANSWER: D



Poverty Quiz

7. Liberia has the greatest amount of their population living below the poverty line. What percentage of their population lives below the poverty line?

- ⦿ a) 80%
- ⦿ b) 50%
- ⦿ c) 25%
- ⦿ d) 75%
- ⦿ ANSWER: a



Poverty Quiz

8.) How many children are living below the poverty line?

- ⦿ a) 1 in 5
- ⦿ b) 1 in 3
- ⦿ c) 1 in 8
- ⦿ d) 1 in 10

⦿ ANSWER: a



Poverty in Canada

- This chapter will focus on **income inequalities** in Canadian society
- Efforts of social scientists to explain or address the resulting problems

Poverty in Canada

Income Inequality in Canada

- ◉ In Canada from the 1920's to the 1970's poverty was regarded as a characteristic of society that they should try to understand not eliminate
- ◉ Most basic way to understand income inequality is to examine total family income by **quintiles**

Poverty in Canada

Income Inequality in Canada

- Each quintile contains the same number (20%) of families
- Families in the highest quintile have family incomes that are significantly higher than families in the lowest.

Poverty in Canada

Income Inequality in Canada

Household Income Distribution, 2007

Quintile	Limit	Mean
Lowest	\$20,291	\$11,551
Second	\$39,100	\$29,442
Third	\$62,000	\$49,968
Fourth	\$100,000	\$79,111
Highest Fifth	--	\$167,971
Top 5%	\$177,000 ¹	\$287,191

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Income Inequality in Canada

Share of Total Income (%)

	Lowest quintile	Second quintile	Middle quintile	Fourth quintile	Highest quintile
2006	8	15	20	26	31

Poverty in Canada

Income Inequality in Canada

- Sociologists identify **public policy questions**
- Discussions to determine whether the population wishes to intervene to try and change the situation.

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Income Inequality in Canada



Poverty in Canada

Income Inequality in Canada

- ◉ Questions?
- ◉ Does providing such programs reduce such families' desire to improve their conditions for themselves?
- ◉ How can society reverse the trends?

Poverty in Canada

Comparing Absolute Incomes

Type of Family	Annual Income
Elderly Couple	\$55,900
Non-Elderly Couple	\$78,000
Two Parent Families w children	\$84,900
One Earner Families w children	\$61,200
Male Lone Parent	\$54,200
Female Lone Parent	\$41,300
Elderly Unattached	Male: \$32,900
	Female: \$26,800
Non-elderly Unattached	Male: \$34,400
	Female: \$28,300

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Comparing Absolute Incomes

- The statistics in the percentage graph show **Relative Income Inequality**
 - comparing the %age of total income that each quintile enjoys
- **Absolute Income Inequality** amount of money earned by different groups in Canada (above chart)

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Comparing Absolute Incomes

- Absolute figure incomes make it easier to identify some public policy questions
- Significant differences also exist among the incomes of different ethnic groups

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Comparing Absolute Incomes

○ Annual Household Income by Race

Race	Households	Average Income
All Races	103 702 000	\$40,872.37 CAD
White	86 996 000	\$42,872.78 CAD
Black	12 634 000	\$27,426.67 CAD
Native	815 000	\$31,713.01 CAD
Asian	3 257 000	\$50,113.65 CAD
Hispanic	8 990 000	\$30,003.41 CAD

Poverty

What is Poverty?

- Statistics Canada determines every year what it calls the **(LICO) Low Income Cut Off Line** aka **poverty line**
- On average Canadians spend 36% of after tax income on

Poverty

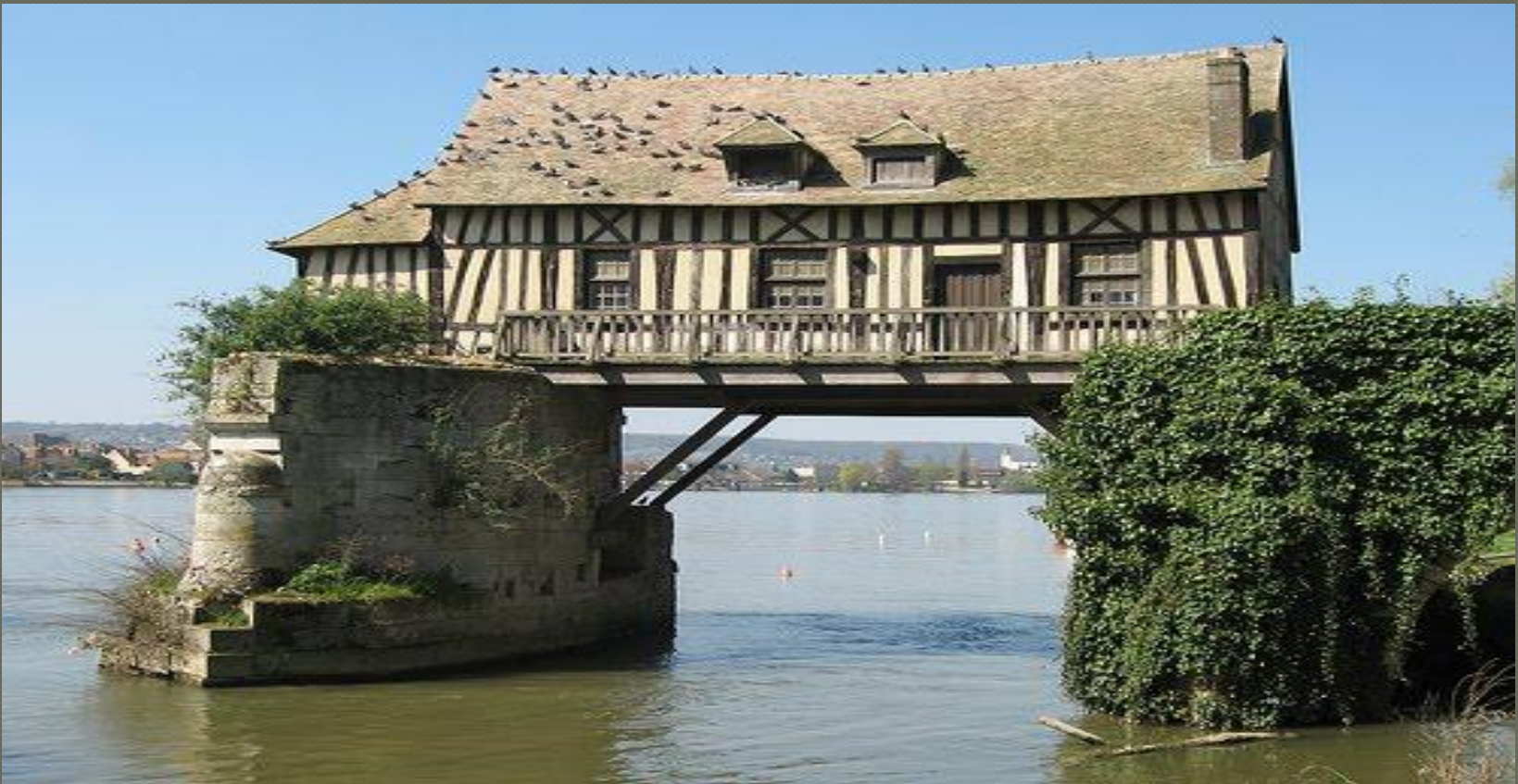
What is poverty?



● Food

Poverty

What is poverty?



◉ Shelter

Poverty

What is poverty?



● Clothing

Poverty

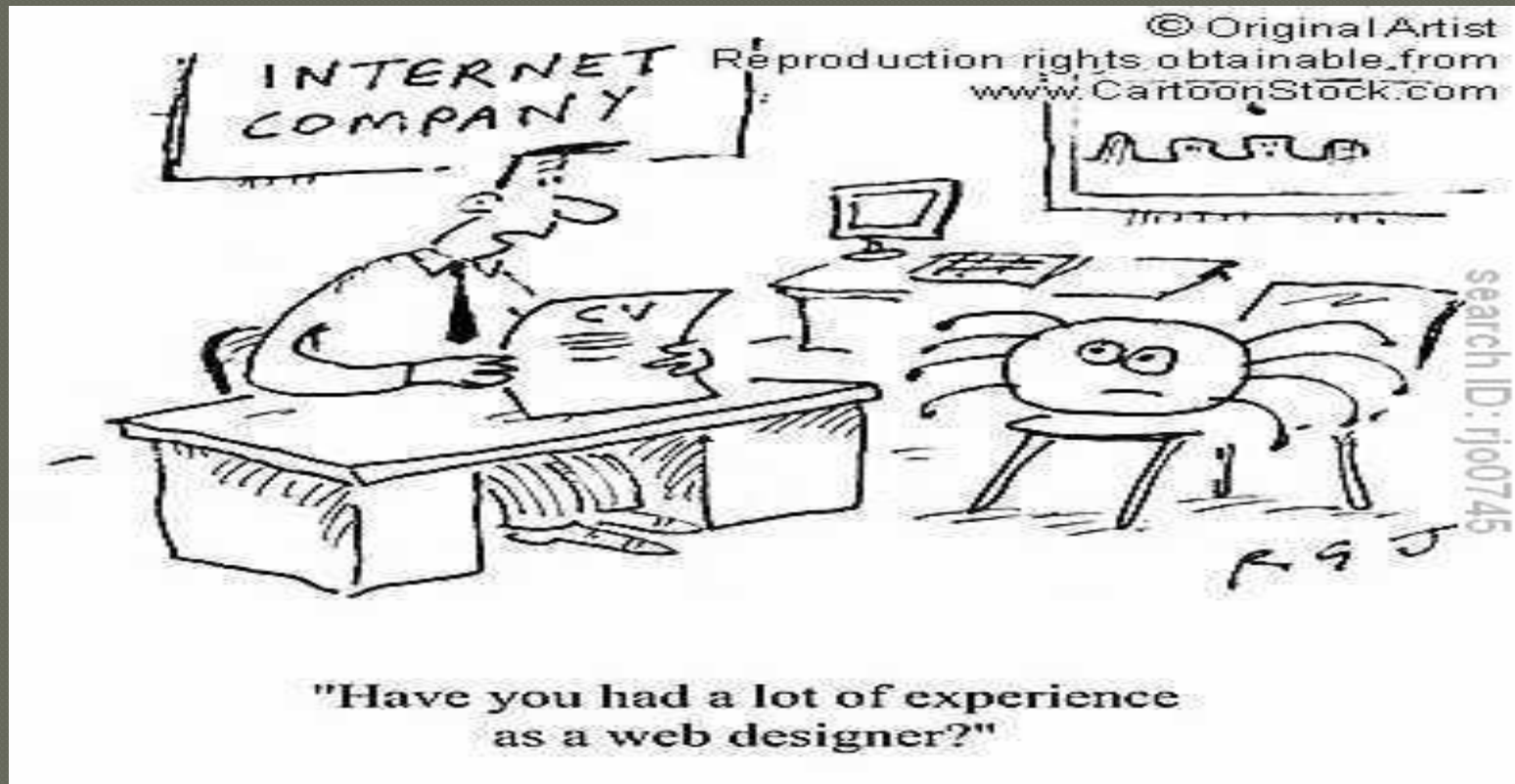
What is poverty?

- To be below poverty line you must spend 56% of your after tax income on basic needs

The Wage Gap Between Men and Women

- ◉ In 1998 single employed women earned on average \$31 388
- ◉ In 1998 single employed men earned on average \$47 077
- ◉ Statistics Canada concluded that half the difference can be accounted for:

The Wage Gap Between Men and Women



● Work Experience

The Wage Gap Between Men and Women



● Education

The Wage Gap Between Men and Women



● Field of Study

The Wage Gap Between Men and Women



● Occupation

The Wage Gap Between Men and Women



- Supervisory Responsibilities

The Wage Gap Between Men and Women



● Seniority

Reducing the Inequalities

- ◉ Welfare
- ◉ In 1995 the province reduced the level welfare payments by 21.6%
- ◉ Believed that the payments created a **disincentive**
- ◉ Discouraged some recipients from finding work

Reducing the Inequalities

- ◉ Welfare
- ◉ Single Parent w two children one aged 11 one 14
- ◉ Receive \$572 for basic needs and \$554 for shelter. \$1126/month or \$13 512/yr
- ◉ Is this enough? Too much?

Reducing the Inequalities

- ◉ Welfare
- ◉ Family of three in Toronto was \$29 373.
- ◉ According to this the welfare family receives less than half of the amount necessary to avoid living in poverty.